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Dear House Republican,

This Constituent Work Week Resource Kit provides a summary of the legislative accomplishments of the last two weeks. We covered a wide range of topics during the past 14 days, but the floor action focus (as it has been all year) is putting our nation back on track to economic growth and job creation.

As you head home to engage with your constituents next week, please keep in mind what we discussed at Conference this week: that everything we've done since January leads back to jobs. Next week is National Small Business Week. I can't think of a better opportunity for you to highlight all of the things House Republicans have done to create an environment for job creation. Whether you hold a town hall on spending and budget issues, talk to commuters about energy policy at your local gas pump, or take a question from a constituent on the government takeover of health care, American job creation is the heart of our agenda.

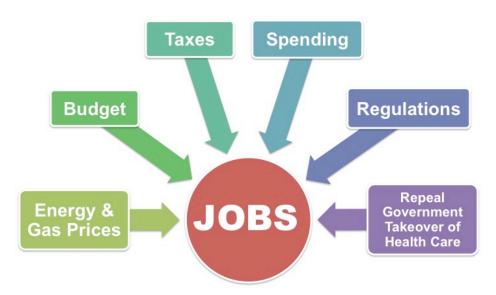
Our three energy bills will create American energy production jobs and save jobs in other industries with lower energy prices. Our budget is predicted to create 2.5 million private sector jobs in the next decade. We blocked the largest tax increase in American history and included fundamental tax reform in our budget to ensure that job creators have the confidence they need to hire more workers. Our budget cuts job-destroying spending by \$6.2 trillion. We're rolling back major job-destroying regulations every chance we get. We voted to repeal Obama's government takeover of health care because it destroys jobs.

...You get the point.

Now, get out there and help amplify that job creation message!

Good luck and God bless,

Jeb



\* National Small Business Week: May 16-20 \*

## THE PLEDGE IS THE PLAN.

House Republicans continued to work towards fulfilling the Pledge to America:



#### Stop Out-of-Control Spending and Reduce the Size of Government

- We passed H.R. 1231, a bill to reverse President Obama's ban on offshore energy exploration by requiring oil and gas leasing in the areas with the most prospective oil and gas resources, and establishing a domestic oil and natural gas production goal. By freeing up our most productive oil and gas resources the bill will reduce the cost of energy and cut the deficit by \$800 million.
- We passed H.R. 3, a bill to prohibit federal funding for abortion and codify the Hyde amendment into permanent law. It is imperative that government be held accountable for how they spend the tax dollars of hardworking Americans. H.R. 3 would ensure that precious tax dollars are never spent to subsidize a procedure that a majority of Americans find unconscionable.



#### Create Jobs, End Economic Uncertainty, and Make America More Competitive

- We passed H.R. 1230, a bill to restart domestic energy production in the Gulf of Mexico and off the coast of Virginia by requiring the Interior Department to auction offshore oil and gas leases, creating jobs and generating revenue for taxpayers while reducing government spending by roughly \$40 million from 2011-2021.
- We passed H.R. 1229 to end the Obama Administration's de facto moratorium on domestic oil and gas production in the Gulf of Mexico in a safe, responsible, transparent manner – helping to put Americans back to work and increasing American energy production to help address rising gas prices.



#### Repeal and Replace the Government Takeover of Health Care

• We passed H.R. 1213 and H.R. 1214 to repeal specific, wasteful sections of the Government Takeover of Health Care bill, saving an estimated \$14.7 billion combined from 2012-2021.



#### Keep Our Nation Secure at Home and Abroad

• We passed H.R. 754, the first full Intelligence Authorization bill since 2004, providing real oversight of our nation's intelligence programs to fulfill Congress's constitutional duty and help keep our nation secure at home and abroad.

## -THE CUTTING BOARD-

#### 112th Congress Spending Cuts

I've helped change the culture in Washington from one of weekly votes <u>to increase</u> spending to one of weekly votes <u>to cut</u> job-destroying spending.



I voted to cut \$6.2 trillion in government spending and reduce deficits by \$4.2 trillion over the next decade compared to the President's budget, repeal the government takeover of health care, save Medicare and Social Security for future generation while protecting those at or near retirement, and spur economic growth and the create jobs in the Republican FY 2012 Budget Resolution. (H.Con.Res. 34)



I voted to fund our troops and cut nearly \$45 billion in non-defense spending from last year's levels in the Department of Defense and Other Departments and Agencies for FY2011 appropriations bill. (H.R. 1473)



I voted to prevent \$29.9 billion of TARP funding from being spent on a program that has been singled out by the Special Inspector General for TARP for low uptake and the Treasury Department's failure to monitor the program's success. (H.R. 839)



I voted to save \$180 million over the next five years by reducing the amounts authorized to be appropriated to the Department of Defense in 2012 for printing by 10 percent. (H.R. 910)



I voted to reduce the regulatory burden on our nation's job providers and prevent a national energy tax in the name of climate change by voting to prohibit the Environmental Protection Agency (EPA) from regulating greenhouse without Congressional action. (H.R. 910)



I voted to reduce spending by \$16 billion by repealing the Prevention and Public Health slush fund created by the government takeover of health care. (H.R. 1217)



I voted to cut \$4.01 billion in the first two-week-long continuing resolution. (H.J.Res. 44)



I voted to repeal the job-destroying 1099 provision in the government takeover of health care, save taxpayers \$24.7 billion in tax receipts, and stop \$24.8 billion in wasteful government spending. (H.R. 4)



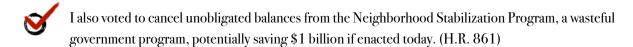
I voted to end the failed mortgage refinancing program and save \$175 million of direct spending and cancel \$8 billion of TARP funding. (H.R. 830)

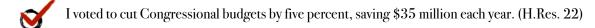


I also voted to end the failed Dodd-Frank program and save \$840 million, as allocated. (H.R. 836)



I voted to cut \$6 billion in the second three-week-long continuing resolution. (H.J.Res. 48)





House Republicans have banned all earmarks. (House Republican Conference Rules for the 112th Congress).

I voted to cut new spending by \$2.6 trillion over ten years and reduce the deficit by \$700 billion when we repealed the government takeover of health care. (H.R. 2)

I voted to cut current government spending back to FY 2008 levels or less, which will reduce non-security discretionary spending to pre-stimulus, pre-bailout levels. (H.Res. 38)

I voted to end the taxpayer funding of presidential election campaigns and party conventions, saving \$617 million. (H.R. 359)

I voted to end the wasteful mandatory printing of bills introduced in Congress, saving the American taxpayers \$35 million. (H.R. 292)

I voted to reclaim \$180 million in wasted funding for the United Nations Tax Equalization Fund. (H.R. 519 – failed to pass the House)

I voted to cut more than \$100 billion of spending in H.R. 1.

I voted to repeal \$14.6 billion in Obamacare spending by eliminating a slush fund created for the Secretary of Health and Human Services to award states health care funds without Congressional oversight. (H.R. 1213)

I voted to repeal \$100 million in Obamacare spending by eliminating a grant program for Washington to pay for the construction of hospital centers in schools. (H.R. 1214)

I voted to cut deficits by \$800 million by opening up new domestic oil and gas exploration in our country's most productive locations. This will not only reduce deficits, but lower the cost of gas, reduce our dependence on foreign oil, and create American jobs. (H.R. 1231)

I voted to reduce government spending by \$40 million by auctioning off leases for domestic offshore oil and gas development. (H.R. 1229)

## Energy.GOP.gov

The following documents are available in an "e-binder" of resources for you on energy. GOP.gov:

#### Online Resources at energy. GOP. gov

- The Facts About Gas Prices" the PowerPoint presentation and narrative you can tailor and deliver to your constituents about gas prices during district events
- Overall energy messaging themes
- Suggested action items during the Constituent Work Week
- Messaging themes on the three bills recently passed by the House (H.R. 1229, 1230, and 1231) that would:
  - End the Obama Administration's *de facto* drilling moratorium
  - Expand American energy production and creates jobs by requiring the Secretary of the Interior to conduct oil and natural gas lease sales in the Gulf of Mexico and offshore Virginia
  - Lift the President's ban on new offshore drilling by requiring the Administration
- Conference policy news
  - "Time for the Tire Gauge"
  - "Energy Economics"
- Natural Resources Committee Documents
  - "America's Energy Resources"
  - "Fact Checking the Administration's Energy Production Claims"
- Energy and Commerce Committee Documents
  - Energy Tax Prevention Act
  - TRAIN Act
  - Jobs and Energy Permitting Act
  - "Bromwich Don't Bother"
  - "Obama's Production Reduction"
- American Energy Initiative (AEI) and House Energy Action Team (HEAT) Overview
- HEAT "Myth vs. Fact" Document



## TALKING POINTS ON ENERGY BILLS

#### Courtesy of the Committee on Natural Resources

#### REPUBLICAN BILLS INCREASE AMERICAN ENERGY PRODUCTION, CREATE JOBS & LOWER PRICES

- Under President Obama, the cost of energy has skyrocketed. The national average price of gasoline was \$1.84 when President Obama took office. Today it is \$3.95. Rising gasoline prices are hurting families and small businesses, costing jobs and threatening our economic recovery.
- The Obama Administration has actively blocked and delayed American energy production destroying jobs, raising energy prices and making the U.S. more reliant on unstable foreign countries for energy.
- Through the American Energy Initiative, House Republicans are actively working to increase American energy production in order to:
  - Lower gasoline prices
  - Create American jobs
  - Generate revenue to help reduce the debt and deficit
  - Strengthen our national security by decreasing our dependence on foreign energy
- The House Natural Resources Committee passed three bills to expand offshore energy production (H.R. 1229, H.R. 1230 and H.R. 1231). All three bills were passed by the House in this May session.
- These bills could create 250,000 jobs short-term and 1.2 million jobs long-term according to Dr. Joseph Mason, economist and professor at Louisiana State University.

#### H.R. 1230, RESTARTING AMERICAN OFFSHORE LEASING NOW ACT

- The Restarting American Offshore Leasing Now Act expands American energy production and creates jobs by requiring the Secretary of the Interior to conduct oil and natural gas lease sales in the Gulf of Mexico and offshore Virginia that have been delayed or cancelled by the Obama Administration.
- The Federal Government develops five-year plans to determine where and when offshore leasing and energy production will occur. The current five-year plan (2007-2012), established by the Bush Administration, included a lease sale (#220) off the Virginia Coast in 2011, two Gulf of Mexico lease sales (#216 and #218) in 2011, and another Gulf of Mexico lease sale (#222) to take place in 2012.
- By delaying and cancelling lease sales, the Obama Administration is blocking American energy production, preventing American job creation and forfeiting much-needed revenue that could be used to pay down the national debt. This bill will reverse the Obama Administration's actions and proceed now with the scheduled lease sales in a prompt, timely and safe manner.
- The Congressional Budget Office estimates that H.R. 1230 would **generate \$40 million in new revenue** over the next decade.

- The Virginia lease sale was originally scheduled for 2011, but due to Obama Administration actions, has been delayed until at least 2017.
- There is bipartisan support for energy production offshore of Virginia. According to a study by the Southeast Energy Alliance, offshore energy development in Virginia could create nearly 2,000 jobs in Virginia and produce more than a half billion barrels of oil and 2.5 trillion cubic feet of natural gas.
- After this bill passed out of Committee, the Obama Administration announced it would move forward with one of the Gulf lease sales this year. Prior to this sudden action, the Obama Administration was on course to make 2011 the first year since 1958 that the federal government will not have held an offshore lease sale. However, squeezing in one conveniently timed offshore lease before the end of the year is not enough to undo the Obama Administration's long track record of blocking and delaying American energy production.
- The *Restarting American Offshore Leasing Now Act* would require all four lease sales to occur before June 1, 2012 or within one year after enactment of the bill.

#### H.R. 1229, PUTTING THE GULF BACK TO WORK ACT

- The Putting the Gulf Back to Work Act will end the Obama Administration's de facto drilling moratorium in a safe, responsible, transparent manner putting thousands of Americans back to work and increasing American energy production to help address rising gasoline prices.
- According to the Obama Administration's own estimates, the six-month "official moratorium" (May–October 2010) on drilling cost up to 12,000 jobs. However, a study by Dr. Joseph Mason from Louisiana State University predicts that if the *defacto* ban on deepwater drilling were sustained for 18 months, there could be a loss of 36,137 jobs nationwide, with 24,532 jobs lost in the Gulf Coast region alone.
- A report by the National Center for Policy Analysis found that declining oil and natural gas production in the Gulf of Mexico is **costing the United States \$4.7 million a day** in lost revenues.
- The Obama Administration's de facto moratorium is also causing a significant decline in American energy production. According to the Energy Information Administration's (EIA) March 2011 "Short-Term Energy Outlook," production from the Gulf of Mexico is expected to fall by 240,000 barrels per day in 2011.
- Specifically, H.R. 1229 the Putting the Gulf Back to Work Act:
  - Improves safety by reforming current law to 1) require lease holders to receive an approved
    permit to drill before drilling an offshore well and 2) require the Secretary of the Interior to
    conduct a safety review.
  - Sets a firm 30 day timeline (with two 15 day extensions) for the Secretary to act on a permit to drill. This simply requires the Secretary to act within the set period of time it is not a requirement that permits be approved. This firm timeline will make certain that the Obama Administration cannot impose a moratorium through deliberate inaction.

- Provides 30 days, with no extension, for the Secretary to restart Gulf permits that were approved
  before the Administration's moratorium was imposed on May 27, 2010. If the Secretary fails to
  act, the leases will be put into suspension (the clock stops ticking on the time-limited lease) until
  a decision is made.
- Establishes an expedited judicial review process for resolving lawsuits relating to Gulf permits.
   This reform ensures that ending the *de facto* moratorium imposed by the Obama Administration isn't replaced by paralyzing, frivolous lawsuits that could take years to resolve.

#### H.R. 1231, REVERSING PRESIDENT OBAMA'S OFFSHORE MORATORIUM ACT

- The Reversing President Obama's Offshore Moratorium Act will lift the President's ban on new offshore drilling by requiring the Administration to move forward on American energy production in areas containing the most oil and natural gas resources.
- Specifically, the Reversing President Obama's Offshore Moratorium Act will:
  - Require that each five-year offshore leasing plan include lease sales in the areas containing the greatest known oil and natural gas reserves. For the 2012-2017 plan being written by the Obama Administration, the areas with the greatest known reserves are specifically defined as those estimated to contain 2.5 billion barrels of oil or 7.5 trillion cubic feet of natural gas. At least 50 percent of those areas must be made available for leasing in the 2012-2017 plan. Currently, the Obama Administration's 2012-2017 draft plan includes no new leasing and drilling, only possible future lease sales in the Gulf. The requirements to lease in these most prospective offshore areas reverses the Administration's effective moratorium on opening new areas.
  - A state's Governor may request to opt-in to a five-year leasing plan and the Secretary of Interior
    will include a lease sale, or sales, of the state's offshore area in the plan.
  - Require the Secretary to establish a production goal when writing a five-year plan. The goal will be the specific amount of oil and natural gas production that is estimated to result from leases made under the plan. Establishes the production goal for the 2012-2017 plan being written by the Obama Administration at 3 million barrels of oil per day and 10 billion cubic feet of natural gas per day by 2027. This 2012-2027 time encompasses the fifteen year period of the five- year plan and resulting ten-year leases made under that plan. By comparison to today's levels, this increase in oil equates to a tripling of current American offshore production and would reduce foreign imports by nearly one-third.

# ACTION ITEMS DURING THE CONSTITUENT WORK WEEK

On May 5, your staff received the following message and suggestions for energy and gas prices action items during the Constituent Work Week. Pull out this page and use it to track your activity next week.

#### Message:

Without expanding domestic energy production, our nation will continue to see energy prices skyrocket. House Republicans have introduced legislation as part of the American Energy Initiative which aim to bring down energy prices, create jobs, and reduce our dependency on foreign energy resources.

#### SUGGESTED ACTION ITEMS:



#### **Discuss Gas Prices at Your Scheduled Events**

- Explain the need to expand domestic energy production and how it will create jobs, reduce energy costs, help grow our economy, and reduce our dependence on foreign sources of oil.
- Highlight relevant committee and floor action you have participated in and your vote on H.R. 1229, H.R. 1230, and H.R. 1231.
- Gather testimonials from constituents at the event to share with Washington on how high energy prices affect their daily lives. Ask them to submit their stories in writing and collect them after the event.
- Utilize your social media platform for promotion before, during, and after the event.
- Tape your event, take pictures, and send to Conference.



#### **Meet with Interested Parties**

- Arrange for meetings with public officials (school superintendents, police chiefs, mayors, etc) to discuss how rising fuel costs will affect their communities and their bottom line.
- Arrange for meetings with non-profit groups (Meals On Wheels, other volunteer organizations who must travel for their services) to discuss how rising fuel costs will affect their organization's work.
- Arrange for meetings with farmers, trucking companies, or any other businesses where fuel costs weigh heavily into their overhead and how rising fuel costs will cut into their growth and ability to create jobs.
- For all of these meetings, plan ahead and ask if they are comfortable with media attending/covering the meeting. If so, book a local media outlet to cover the meeting. If not, visit the local media outlet after your meeting and summarize the meeting.

Contact the Whip's Office for more information about coordinating meetings with energy coalition groups in your district.



#### Provide a Summary of Events at the End of the Constituent Work Week

- Issue a press release summarizing your events, provide a link to your relevant YouTube videos and pictures posted on your website
- Tape a 2-3 minute video from your District Office or other landmarks in your district discussing the need to expand domestic energy production, the House's plan of action, and summarize constituent testimonials you heard during the week.
- Prepare an Op-ed piece for placement in a Sunday (or weekend) paper at the end of the week.
- Send an e-newsletter to constituents over the weekend to summarize your events and the House's plan of action in upcoming weeks.
- Cross post all content on your social media platform throughout the week



#### **Host a Gas Station Event**

- How It Works:
  - District staff coordinates which gas station(s) the member will visit and the Communications
    Director/Press Secretary invites all energy/environmental reporters in the district as well as
    general congressional reporters from TV, radio, and print.
  - Member can pump gas for patrons, talk with them about gas prices and the need for energy legislation, and photo ops in front of pumps.
  - District staff travels with the Member to take notes and photos during the visit.
- Questions Member Can Ask:
  - How are the rising gas prices affecting you and your family?
  - How much are you spending on gas this year compared to last year?
  - Have you had to cut back on any driving due to high gas prices?
  - Do you support increasing domestic oil production? (e.g. offshore drilling, ANWR, etc.)
  - What do you think are the causes of high gas prices?
- The Benefits:
  - Simple way for reporters to get a local angle on a national story (high gas prices), generally
    positive press for the Member.
  - Generates well-publicized contact between the Member and constituents.

# FULFILLING THE PLEDGE: REPEAL AND REPLACE THE GOVERNMENT TAKEOVER OF HEALTH CARE

#### Fact Sheet on H.R. 1213 and H.R. 1214

#### Courtesy of the Committee on Energy & Commerce

#### H.R. 1213

- Section 13II(a) of the health care law appropriates funds in the "amount necessary to enable the HHS Secretary to make awards" to states for various activities related to health insurance exchanges.
- In other words, the Secretary has an unlimited tap on the U.S. Treasury to set up state-based exchanges without any further Congressional approval.
- With the national debt above \$14 trillion, we cannot afford to provide HHS with a blank check.
- H.R. 1213 repeals the unlimited funding and according to CBO, it will reduce the deficit by \$14 billion.

#### H.R. 1214

- Section 4101(a) of the health care law provides \$200 million of mandatory spending for the construction of school-based health centers.
  - Between the stimulus and the health care law, \$3 billion has already been made available for health center construction.
  - PPACA prohibits the funds from being used to staff the centers or to provide health care services.
     In addition, no funding was provided in either the health care law or the president's budget to provide health care services.
- Providing funds for construction without funding to staff these centers and provide services is an incoherent and irresponsible policy.
- H.R. 1214 repeals Section 4101(a) and rescinds any unobligated funds.

# DEBT LIMIT DEBATE: NO BLANK CHECK FOR THE OBAMA ADMINISTRATION'S RECKLESS SPENDING

- Over the past two years, President Obama and congressional Democrats have overseen the largest budget deficits in the history of the U.S. They've maxed out our nation's credit cards and are asking us to increase their credit limit without making any commitment to stop this dangerous level of spending.
- If the president and Washington Democrats want us to pay their bills, they are going to have to cut up the credit cards. Any increase in the debt limit must be accompanied by substantial spending cuts and reforms to ensure that we keep cutting.
- The Obama Administration and congressional Democrats have repeatedly called on us to quickly consider a "clean" debt limit bill that will raise the limit without any spending cuts or reforms.
- We can't afford to accommodate the spending agenda of the Democrats with yet another blind increase in the debt limit. The Democrats need to cut up the credit cards and accept real spending reforms.
- To create jobs and save our country from national bankruptcy, we must stop spending money we don't have.
  - No nation can spend, tax, borrow, or bail-out its way to prosperity and job creation.
  - Our national debt is more than \$14.2 trillion, almost more than our entire economy.
  - We are borrowing nearly 42 cents of every dollar we spend, much of it from the Chinese, and sending the bill to our children and grandchildren.
  - Every child born today already owes \$46,000 in debt they didn't create.
- Our unprecedented debt is already having an alarming impact on our ability to compete in this global economy and create much-needed jobs.
- This economy is growing too slowly to replace the millions of jobs that have been lost.
- We are in a debt crisis because Washington spends too much, not because it taxes too little.
- We don't have a revenue problem—we have a spending problem.

#### TIMEFRAME FOR ACTION

- According to the Treasury Department, we will reach the debt limit on May 16th. Treasury can take what it describes as "extraordinary actions" to provide more room under the limit.
- Treasury estimates that these actions in combination with stronger than anticipated tax receipts can provide additional borrowing capacity until August 2nd.
- Assuming current law remains in place, the Congressional Budget Office (CBO) predicts that an additional \$1.03 trillion of debt will be needed by the end of calendar year 2011 and an additional \$1.21 trillion of debt by the end of calendar year 2012.

Since 1985, Congress has only passed clean debt limit increases 10 out of 27 times – meaning almost 2 of every 3 debt limit increases were accompanied by additional provisions and budget measures.

In 2006, then-U.S. Senator Obama voted against a clean increase of \$781 billion.

## BACKGROUND ON THE DEBT LIMIT

### Courtesy of the Committee on Ways & Means

#### THE DEBT LIMIT

- Treasury "issues debt" (borrows money) when the Nation's financial obligations exceed the amount of taxes collected.
- Treasury issues debt by selling bonds with various features, such as length to maturity.
- The "debt limit" is the amount that the United States is legally permitted to borrow.
- Congress sets and must authorize a change in the debt limit through legislative action.
- As of May 6, 2011, the debt subject to the limit was \$14.271 trillion − just \$23 billion shy of the limit.

#### INCREASES IN THE DEBT LIMIT UNDER PRESIDENT OBAMA

Date	Bill	Debt Limit (trillions)
2/17/09	Stimulus	\$11.315 to \$12.104
12/28/09	Stand alone increase	\$12.104 to \$12.394
2/12/10	Statutory Pay-As-You-Go Act of 2010	\$12.394 to \$14.294

#### FUTURE INCREASES IN THE DEBT LIMIT

Assuming current law remains in place, it is predicted that the debt limit will need to increase by \$1 trillion by the end of 2011 and by an additional \$1 trillion by the end of 2012. Even under the House-passed budget plan, the debt limit would need to be increased by nearly \$2 trillion by the end of next year.

#### TREASURY'S TIMELINE AND "EXTRAORDINARY ACTIONS"

- According to Treasury, we will reach the debt limit on May 16.
- Treasury can take what it describes as "extraordinary actions" to push the default date until August 2.

#### PRIORITIZING PAYMENTS OF U.S. DEBT OBLICATIONS

Currently, the U.S. does not have the express legal authority to prioritize debt.

- Even if the government did pay debt holders first, the Treasury does not "take in" enough tax revenue every day to "pay out" our debt obligations. For example, Treasury would have defaulted on 3 of 20 business days in April even if ONLY paying debt and interest.
- Paying only debt and interest would likely increase our borrowing costs. Credit agencies as they have done with States that have tried this model would see this as the U.S. not being able to pay other obligations (Social Security, contractors, government workers, etc.) and thus lower our credit rating. Such a move could increase the amount the U.S. has to pay in interest on the debt by as much as \$1 trillion over the next decade.

#### WHAT HAPPENS IF THE U.S. DEFAULTS ON ITS DEBT?

- Ratings agencies would reduce the U.S. credit rating, causing federal borrowing costs to be higher. As referenced above, and according to the Congressional Budget Office, a 1% increase in the 10 year treasury note would increase net interest payments on the debt by over \$1 trillion over 10 years.
- Social Security cannot make payments unless there is sufficient funding to pay 100% of scheduled benefits.
- The dollar would plunge and the cost of imports especially gas and oil would increase.
- The volatility and uncertainty would cause businesses to delay hiring and investing.

#### LEADERSHIP ON THE DEBT LIMIT

"Without significant spending cuts and reforms to reduce our debt, there will be no debt limit increase. And the cuts should be greater than the accompanying increase in debt authority the president is given. We should be talking about cuts of trillions, not just billions. They should be actual cuts and program reforms, not broad deficit or debt targets that punt the tough questions to the future."

Speaker John Boehner, May 9, 2011

## THE COST OF OUR NATION'S SPENDING-DRIVEN DEBT CRISIS? JOB CREATION & ECONOMIC GROWTH

#### WHEN GOVERNMENT GROWS, PRIVATE SECTOR SLOWS

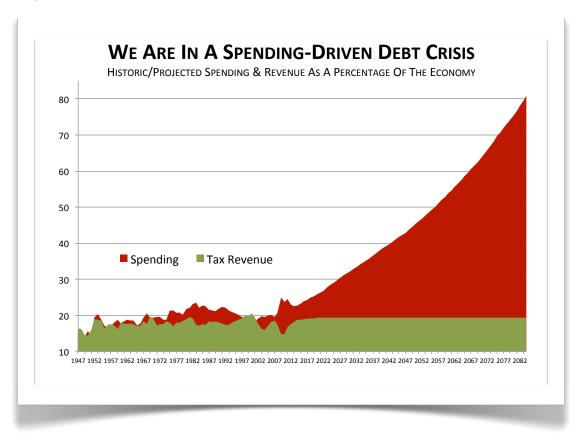
- The unemployment rate has now hovered around or above 9 percent for the past 23 months, topping 8 percent for the last 26 months.
- This economy is growing too slowly to replace the millions of jobs that have been lost. GDP growth in the first quarter of 2011 fell to 1.8 percent, down from 3.1 percent in the last quarter of 2010—this is the slowest economic growth since the second quarter of 2010.
- In the seven quarters since GDP began to increase in 2009, quarterly GDP growth has averaged 2.8 percent. By comparison, in the seven quarters following the 1982 recession, GDP grew by an average of 6.6 percent.
- The problem remains clear government is too big, too intrusive, and too expensive to allow the private sector to create jobs at a rapid pace.
  - 1 in 7 Americans are now on food stamps—an 11.6 percent increase from last year.
  - Productivity growth slowed between the last quarter of 2010 and the first quarter of 2011.
  - The number of Americans filing for jobless assistance is at an eight-month high.
- These are not signs of an economic recovery; they're the result of a failed economic agenda that needs to be reversed.
- The solution for reviving our economy is straightforward: cut wasteful government spending to help the economy grow and help businesses create jobs.
- You cannot help the job seeker by punishing the job creator with higher taxes and more government red tape.
- The President's delays in opening domestic oil production is causing gas prices to soar and killing jobs. According to a study by Louisiana State University, the Obama Administration's de facto ban on American energy production could cost as many as 24,532 jobs in the Gulf Coast, and 36,137 jobs nationwide.

• When it comes to job creation, our nation's small business owners and the voters have called for Washington to rein in the red tape. Less costly paperwork for America's job creators means more jobs for American workers.

#### HISTORIC DEBT LEADS TO HISTORIC TAX INCREASES, WHICH STIFLES JOB GROWTH.

- To restore certainty to the economy and foster job growth, we must stop spending money we don't have.
- Our nation is in a spending-driven debt crisis. Debt and deficits are the symptoms, spending is the disease.
- The United States is currently more than \$14 trillion in debt, a record high, and dangerously close to surpassing our national GDP (currently \$14.3 trillion). Our record-level debt is equal to \$46,000 per American and \$128,000 per taxpayer.
- We cannot afford to continue borrowing 42 cents on the dollar, much of it from the Chinese, and send the bill to our children and grandchildren.

In order to grow the economy and provide an environment in which Americans can prosper, we need to end expensive and ineffective government programs and remove the barriers of uncertainty that prevent employers from hiring.



# H.R. 3: No Taxpayer Funding for Abortion Act

On Wednesday, May 4, 2011, the House approved H.R. 3 by a vote of 251-175. The bill would codify the Hyde amendment by establishing a government-wide, permanent prohibition on federal funding for elective abortions and insurance coverage that includes elective abortions. The bill would also prohibit federal subsidies for abortion coverage currently allowed by the Patient Protection and Affordable Care Act (PPACA) and would prohibit tax-preferred status for abortion through health savings accounts and itemized deductions. Lastly, H.R. 3 would codify the Hyde-Weldon conscience clause, which has protected health care providers from discrimination by state and local governments for refusing to provide, pay for, or refer for abortion.

#### **Hyde Amendment**

The annual domestic funding ban, known also as the Hyde amendment, has been enacted in various forms since fiscal year 1976 as a "rider" to the Departments of Labor, Health and Human Services Appropriations bill. The Hyde amendment bans federal funding of domestic abortions, except in the cases of rape, incest or preserving the life of the mother. H.R. 3 would make permanent the prohibition on federal funding for abortion, eliminating the inherent vulnerability that riders like the Hyde amendment face as part of the annual appropriations process. The legislation would apply the Hyde amendment to all federal funding (as opposed to only funds from the Labor, Health and Human Services Appropriations Act, as in current law) in order to cover programs such as international aid, the federal employee health benefits program, the District of Columbia, federal prisons, Peace Corps, and others.

#### **Hyde-Weldon Conscience Clause**

Since 2004, the Hyde-Weldon conscience clause has protected health care providers (including doctors, nurses, hospitals, health insurance providers, etc.) from discrimination by state and local governments for refusing to provide, pay for, or refer for abortion. H.R. 3 would make this policy permanent and would govern recipients of all sources of federal funds (as opposed to just those receiving funds under the Labor, Health and Human Services Appropriations Act as in current law). Furthermore, H.R. 3 would provide legal recourse against actual or threatened discrimination.

#### **Tax Provisions**

The destruction of an innocent human life is not something that should be incentivized or subsidized by the government through the tax code. H.R. 3 would end the incentives for abortion and abortion coverage by:

- Prohibiting abortion coverage subsidies in the form of tax credits;
- Ensuring that abortion (except in cases of rape, incest or to preserve the life of the mother) is no longer a recognized deductable expense; and

Prohibiting individuals from claiming abortion in order to gain a tax benefit (H.R. 3 would not
prohibit people from paying for abortions with their own money.)

House Republicans agree that Americans should be able to keep more of what they earn and spend it as they choose. The tax provisions in H.R. 3 **would not** contradict that principle and general tax reductions are not affected. Under H.R. 3, people would remain free to spend their own money to pay for abortion and for abortion coverage. However, they will not be able to get a tax benefit from doing so. H.R. 3 would not affect deductions and exclusions for employer-sponsored health insurance. Furthermore, H.R. 3 has been scored as having a negligible tax impact by the Joint Committee on Taxation, which means H.R. 3 is considered tax neutral. In addition, Americans for Tax Reform (ATR) has written a letter stating that "ATR has no problems or issues with H.R. 3. The bill has no net tax change whatsoever, and is therefore not legislation at all relating to the Taxpayer Protection Pledge. Attempts to claim otherwise are not based on reality, but on mere political gamesmanship of the lowest order."

#### WHERE ARE THE AMERICAN PEOPLE?

Polls show that a large majority of Americans oppose taxpayer subsidies for abortion and abortion coverage.

- An April 2011 CNN poll found that 61% of respondents opposed using public funds for abortion
- A January 2010 Quinnipiac University Poll showed 67% of respondents opposed federal funding of abortion.
- A November 2009 Washington Post poll showed 61% of respondents opposed government subsidies for health insurance that includes abortion
- A September 2009 International Communications Research poll showed that 67% of respondents opposed measure that would "require people to pay for abortion coverage with their federal taxes."

Women are also opposed to public funds being used for abortions. When asked in a Quinnipiac poll in December of 2009, if they support or oppose allowing abortion to be paid for by public funds under the health care reform bill, 70% opposed taxpayer funding for abortion.

## THE STATE OF OUR TAX CODE: BROKEN

## Why America Needs Pro-Growth Tax Reform That Creates Jobs & Gives Families More Freedom

### Courtesy of the Committee on Ways & Means

Today's tax code is broken and is impeding, rather than improving, opportunities for job creation. With the second highest corporate tax rate in the industrialized world and families and small businesses struggling with continued uncertainty about tax rates and new regulations, Congress must examine and develop ways to enact broad-based tax reform that will allow families to thrive and employers to create jobs.

Simply put, the tax code is too complex, too time-consuming and too costly.

#### Too Complex

- The tax code contained approximately 700,000 words in 1975, but has grown to 3.8 million words today.
- In the past decade, there have been nearly 4,500 changes to the tax code averaging more than one each day.
- The tax code's complexity leads about 60 percent of individual taxpayers to hire others to do their tax returns as well as 71 percent of unincorporated businesses and an additional 29 percent of taxpayers use tax software.

(Source: National Taxpayer Advocate report, 1/5/11)

#### Too Time-Consuming

- If tax compliance were an industry, it would be one of the largest in the United States and would consume
   6.1 billion hours a year the equivalent of more than three million full-time workers.
- The IRS can't come close to answering all of the public's questions about the tax code. For example, in 2008, the IRS was only able to answer half of the nearly 170 million questions it received.

(Source: National Taxpayer Advocate report, 1/5/11)

#### Too Costly

- In 2008 alone, taxpayers spent \$163 billion complying with the individual and corporate income tax rules.
- Small business owners spend an average of \$74 an hour on tax-related compliance, making it the most expensive paperwork burden they encounter.
- The combined Federal-State corporate tax rate in the U.S. (39.1 percent) is the second highest in the industrialized world, and it is more than 50 percent higher than the Organization for Economic Cooperation and Development (OECD) average (25 percent).
- Japan (39.5 percent) is the only OECD country with a higher corporate tax rate. Japan, however, is working to lower its corporate tax rate to 34.5 percent, which will leave the United States with the dubious distinction of having the highest corporate tax rate in the entire industrialized world.

### American Families and Businesses Want a Pro-Jobs Tax Code That is Simpler, Fairer and Flatter

Republicans believe in reforming the tax code, not raising taxes. By lowering rates and broadening the base – an approach that has been hailed from both ends of the political spectrum – we can create a code that is simpler, fairer and flatter for all Americans. Even more importantly, an efficient code – especially when coupled with reduced spending in Washington – can help spur the creation of up to 1 million jobs next year alone.

#### It's About Jobs!

- Republicans are calling for comprehensive tax reform that does not raise taxes and instead keeps taxes at historically sustainable levels – between 18 and 19 percent of our Gross Domestic Product (GDP).
- Independent economists have said, when coupled with spending constraints, this tax reform will help spur the creation of 1 million jobs in the first year.

#### Raising Taxes Kills Job Creation

- In a recent speech on deficit reduction, the President called for an additional \$1 trillion tax increase above his FY 2012 budget proposal – which would be devastating to our economy and job creation.
- Although the President claims that his tax hikes will only hit those families defined as "fortunate," the reality is that the tax hike would hit half of all business income earned by individual filers, including small businesses. We need these employers paying more salaries, not paying higher taxes.
- Republicans believe in a different approach. If we want the 14 million Americans who are out of work to find a job, if we want kids coming out of college to get a job, and if we want to transform our jobless recovery to a job creation recovery, then we need to foster an environment in which employers can invest and expand.

#### LEARN FROM HISTORY: TAX REFORM MUST BE REVENUE NEUTRAL

- Tax reform has a history of being revenue neutral (maintaining taxes at about 18 to 19 percent of GDP). It was one of the hallmarks of the comprehensive 1986 tax reform package.
- In a recent meeting of the Joint Tax Committee, two of the architects of that proposal former Treasury Secretary James Baker (who also served as President Reagan's Chief of Staff in the White House) and former House Democratic Leader Richard Gephardt – flatly stated it would be a mistake for tax reform to be anything but revenue neutral.

#### LOWERING RATES AND BROADENING THE BASE IS NOT A TAX CUT FOR THE RICH

- The Republican approach to tax reform is revenue neutral, lowers rates and broadens the base.
- When the Deficit Commission suggested lowering rates and broadening the base, it wasn't called a tax cut for the rich - and it isn't now.
- Any attempt to suggest otherwise is purely partisan and ought to be dismissed.

## FY 2011 INTELLIGENCE AUTHORIZATION BILL:

## Critical to Intelligence Oversight & Accountability Courtesy of the House Permanent Select Committee on Intelligence

"Congressional oversight for intelligence—and counterterrorism—is now dysfunctional."

9/11 Commission Report

#### **OVERVIEW**

The FY2011 Intelligence Authorization Bill is expected to pass the House on Friday, May 13. This bill is a vital tool for Congressional oversight of the classified activities of the Intelligence Community, and is critical to ensuring that our intelligence agencies have the resources and authorities they need to do their important work.

Congress has not passed a complete intelligence authorization bill in six years. We need to get back in the habit of passing an annual intelligence authorization bill, so that we can keep the laws governing our intelligence operations up to date, and ensure there are no unnecessary barriers in the way of future successes like the killing of Osama bin Laden.

#### Discussion

The U.S. Intelligence Community plays a critical role in the war on terrorism and securing the country from the many other threats we face. The killing of Osama bin Laden is a clear example of the important work our intelligence agencies are doing behind the scenes every day. **Effective and aggressive Congressional oversight** is essential to ensuring continued success in the Intelligence Community.

- The primary vehicle for exercising credible congressional oversight over our intelligence agencies is the intelligence authorization bill. Yet we have not passed a bona fide intelligence authorization bill including funding authorities in six years. As a direct result, congressional oversight of our intelligence agencies—including spending—has been significantly diminished. Without an FY11 bill, oversight of intelligence will be further weakened.
- For the past several years, the appropriations bills have included language that "deems" intelligence funding to be authorized despite an express requirement in law that intelligence funding be explicitly authorized. This band-aid "deeming" language was not the careful legislative oversight that Congress intended.
- For too many years, Congress has simply punted the intelligence budget to the next fiscal year, only to have it hamstrung by political infighting and turf battles in the next year. Some might suggest that since we are halfway through FY 2011, we should simply focus on the FY 2012 bill instead. We cannot punt this bill again effective congressional oversight of intelligence cannot wait another 6 months.

- The intelligence authorization bill funds all U.S. intelligence activities, spanning 17 separate agencies last year this funding totaled roughly \$80 billion. The current challenging fiscal environment demands the accountability and financial oversight of our classified intelligence programs that can only come with an intelligence authorization bill.
- The bill's comprehensive classified annex provides detailed guidance on intelligence spending, including adjustments to costly programs. In addition, the bill takes important steps to help the Intelligence Community meet the same financial accounting standards as the rest of the government. These accounting standards will help uncover savings in current programs that can be reinvested into vital intelligence priorities or returned to the taxpayers.
- This bill funds the requirements of the men and women of the Intelligence Community (military and civilian), many of whom directly support the war zones or are engaged in other dangerous operations to keep Americans safe.
- It provides oversight and authorization for critical intelligence activities, including:
  - Global counter-terrorism operations, such as the one that took out Osama bin Laden
  - Tactical intelligence support to combat units in Afghanistan and Iraq
  - Cyber defense by the National Security Agency
  - Court-ordered wire taps against terrorists and spies
  - Detecting and countering the proliferation of weapons of mass destruction
  - Design, launch and operation of spy satellites
  - Global monitoring of foreign militaries, weapons tests, and arms control treaties
  - Real-time analysis and reporting on events such as the unrest in the Middle East
  - Research and development of new technology to maintain our intelligence agencies' technological edge, including work on code breaking and spy satellites
- The FY11 bill process began in the 111th Congress with almost a dozen budget hearings and member briefings, and continued into the 112th with more briefings, negotiations and finally Committee action. The process has been open and forthright, and members on both sides of the aisle have been thoroughly engaged throughout this process.

The secrecy that is a necessary part of our country's intelligence work requires that the congressional intelligence committees conduct strong and effective oversight on behalf of the American people. That strong and effective oversight is impossible, however, without an annual intelligence authorization bill. Congress must get back in the habit of passing that bill every year, and that needs to start now, with the 2011 bill.

## NATIONAL SMALL BUSINESS WEEK

### Courtesy of the House Committee on Small Business

#### NATIONAL SMALL BUSINESS WEEK: MAY 16-20

- The week of May 16-20 will mark the 48th annual National Small Business Week, a nationally recognized time to celebrate the contributions of small businesses to the economic well-being of America. The week also marks the 58th anniversary of the U.S. Small Business Administration.
- Every President since 1963 has issued a National Small Business Week proclamation.
- During this week, the U.S. Small Business Administration will recognize 100 outstanding small business owners and announce the "National Small Business Person of the Year."

#### IMPORTANCE OF SMALL BUSINESS TO ECONOMY

- A small business is an independent business having fewer than 500 employees. There are an estimated 27.2 million small businesses in the United States. (SBA Office of Advocacy)
- America's small businesses are the engines of job creation. Small businesses create seven of every ten new jobs and they employ just over half of the country's private sector workforce. (SBA Office of Advocacy)
- Small businesses are the life blood of our nation's economy. Small businesses create more than half of the nonfarm private gross domestic product (GDP).
- Small businesses have generated 64% of net new jobs over the past 15 years. (SBA Office of Advocacy)
- House Republicans are focused on removing barriers for small business job creation by restoring fiscal discipline in federal spending (cutting spending), lowering taxes and removing burdensome regulations.

#### HIGH ENERGY PRICES HARM SMALL BUSINESS JOB CREATION

• The median commercial sector industry has a small business energy cost per sales ratio that is 2.7 times greater than that of larger businesses, which hinders their ability to compete during times of elevated energy prices.

#### REGULATORY IMPEDIMENTS STRANGLE SMALL BUSINESS JOB CREATION

- Small firms bear a regulatory cost of \$10,585 per employee, which is 36% higher than the cost of regulatory compliance for large businesses. (2010 SBA study, The Impact of Regulatory Costs on Small Firms)
- Compliance with environmental regulations costs small businesses four times more than large firms. (NFIB)

## HIGH TAXES & TAX COMPLEXITY HARM SMALL BUSINESSES DISPROPORTIONATELY MORE THAN LARGE

- Tax issues are the single most significant set of regulatory burdens for most small firms. A recent NFIB Research Foundation study found that four of the top ten small business problems were tax related.
- Most small businesses file their taxes on an individual return. According to NFIB, nearly 75% of small firms are organized as "pass through" entities, such as sole proprietorships, partnerships or LLCs, where business income is passed through and taxed at the individual rate.

## Dates & Celebrations of Note

## Week of May 15

National Small Business Week (http://www.nationalsmallbusinessweek.com/)

National Police Week (http://www.policeweek.org/)

National Transportation Week (http://www.ndtahq.com/events\_national\_trans\_week.htm)

World Trade Week (http://www.worldtradeweeknyc.org/)

National EMS Week (http://www.acep.org/emsweek/)

National Bike-to-Work Week (http://www.bikeleague.org/programs/bikemonth/)

May 15 is Peace Officers Memorial Day – part of National Police Week

## Additional Online Resources

## GOP.gov/workweek

**Note**: Members who wish to use any of these resources should be aware that outside printing expenses over \$350 must be submitted for pre-approval to the Franking Commission. Please contact the Committee on House Administration at (202) 225-8281 with any questions.

Energy.GOP.gov Slideshow & Narrative

Jobs Chart

American Energy Pocket Card









Pledge Checklist

"Cutting Board" Checklist









STOP OUT-OF-CONTROL SPENDING AND REDUCE THE SIZE OF GOVERNMENT

We passed HR. 3, a bill to prohibit federal funding for abortion and codify the Hyde amendment into permanent law. It is imperative that government be held accountable for how they apend the tax dollars record to the second second to the second second procedure to define are never penet to subdistre a procedure that a majority of Americans find unconscionable.





REPEAL AND REPLACE THE GOVERNMENT TAKEOVER OF HEALTH CARE

\*We passed HR. 1213 and HR. 1214 to repeal specific, wasteria sections of the Government takeover of feeth Care Bill secret, and the second section of the Government Takeover of feeth Care Bill sections are estimated \$14.7 billion combined from 2012-2021.

